

**CLEAN VERSION OF AMENDED CLAIMS**

1. [Once Amended] A product distribution and return system, comprising:

a product dispensed from a vending machine in one location; and

a return mailer dispensed with the product, the product returnable in the return mailer to a return center, the return center being in another location;

wherein a product rental fee is defined in a set of product rental terms, further wherein

the product rental fee includes fees for non-compliance with the product rental terms;

wherein the return center determines compliance or non-compliance with the product rental terms, further wherein an additional charge is posted to a consumer account or a future

credit to a consumer account is canceled for non-compliance with the product rental terms; and

wherein the product rental terms include terms related to a specified return date and product condition.

17. [Once Amended] The system of claim 1 wherein the database contains information

comprising a transaction identifier, product title, product dispense date specified return date,

product condition, product rental fee and product purchase price.

19. [Once Amended] A method of doing business, comprising:

providing a media product for rent a one location, the media product dispensed with a return mailer;

requesting return of the media product in the return mailer to a return center located in a location other than said one location within a period of time, the return mailer depositable with a third-party delivery service; and

providing a label comprising an address of the return center and having an amount of postage sufficient for the third-party delivery service to return the product to the return center;

wherein said label is configured for being attached to the return mailer upon returning the product to the return center or alternatively for being attached to another return mailer if the product is not returned to the return center.

28. [Once Amended] The method of claim 20, wherein the return center activity comprises:

opening the return mailer;

inspecting the product inside the return mailer to determine if the product is in good

condition;

comparing information in the database with the product inside the return mailer; and

issuing a credit for a difference between a rental price and a purchase price or canceling a future charge when the product is returned in good condition and on time.

30. [Once Amended] An apparatus for dispensing products, comprising:

means for selecting a particular product;

means for dispensing the particular product together with a return mailer to a customer;

means for transporting the particular product from the customer back to a return center

located apart from the means for dispensing;

means for identifying the particular product; and

means for recording a transaction date in a database;

wherein said particular product is a media product and said means for transporting comprises a return mailer dispensed at said means for dispensing.

Claims 33 and 34 (New).